VZCZCXRO8361 OO RUEHCHI RUEHCN RUEHDT RUEHHM DE RUEHJA #0759/01 1070147 ZNR UUUUU ZZH O 160147Z APR 08 FM AMEMBASSY JAKARTA TO RUEHC/SECSTATE WASHDC IMMEDIATE 8706 INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS PRIORITY RUEHBJ/AMEMBASSY BEIJING PRIORITY 4942 RUEHBY/AMEMBASSY CANBERRA PRIORITY 2339 RUEHKO/AMEMBASSY TOKYO PRIORITY 1826 RUEKJCS/SECDEF WASHDC PRIORITY RUENAAA/SECNAV WASHDC PRIORITY RHHJJPI/USPACOM HONOLULU HI PRIORITY RUEHWL/AMEMBASSY WELLINGTON 2548 RUEHHK/AMCONSUL HONG KONG 2603 RHEHNSC/NSC WASHDC RUEKJCS/JOINT STAFF WASHINGTON DC

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SUBJECT: ADMIRAL KEATING ENGAGES INDONESIAN EXPERTS ON SECURITY ISSUES

- 11. (U) This message is Sensitive But Unclassified--Please handle accordingly.
- (SBU) SUMMARY: USPACOM Commander Admiral Keating engaged leading Indonesian national security experts during an April 11 roundtable at the Center for Strategic and International Studies (CSIS), Jakarta's leading think tank. Indonesian participants agreed on the importance of USG engagement in Asia, especially given uncertainty about China's intentions. They also supported robust USG-GOI mil-mil ties. ADM Keating also discussed regional security with other security experts and Indonesian legislators in a separate meeting. END SUMMARY

A REGION AT PEACE

- 13. (SBU) In his opening remarks at CSIS, Admiral Keating described U.S Pacific Command's Area of Responsibility as a region at peace, thanks in part to U.S. engagement. He noted that U.S. relationships in the region ranged from formal allies like Japan, the Philippines and Australia to less formal partnerships with countries like Indonesia, Singapore and Malaysia. He noted that India--a stalwart of the Non-Aligned Movement traditionally reluctant to engage the United States on security issues--had shown greater interest in security cooperation with the United States. ADM Keating also said that, due to the steady progress of the Six Party Talks on the DPRK's nuclear program, he was "cautiously optimistic" regarding the situation on the Korean Peninsula. (Note: Septel contains a report regarding Admiral Keating's meetings with GOI officials.)
- $frac{1}{4} ext{.}$ (SBU) In the subsequent discussion, CSIS Deputy Executive Director Rizal Sukma questioned whether the USG was preoccupied with the Middle East at the expense of other regions. ADM Keating affirmed U.S. commitment to the Asia-Pacific region. Despite priorities in other parts of the world, the United States regarded Asia as essential. He noted particularly the importance of Southeast Asian waterways--especially the Strait of Malacca--to economic stability around the world. ADM Keating assured his Indonesian interlocutors that the United States would remain engaged in Asia.

- ¶5. (SBU) Questions remained, however, about China. ADM Keating underscored that the lack of transparency regarding China's military acquisitions and doctrine left the rest of the world unsure of Chinese intentions. The United States had no reason to suspect expansionist or destabilizing intentions from China. That said, China's lack of transparency forced the U.S. military to monitor the situation carefully. ADM Keating also stressed, however, that the United States continued to engage China, including in the area of mil-mil ties, to encourage greater openness. One demonstration of this engagement was the recent installation of a hotline between U.S. and Chinese defense ministries—something that could help prevent misunderstandings.
- 16. (SBU) Indonesian experts agreed that China's behavior raised questions about its intentions. CSIS Executive Director Hadi Soesastro said this was the reason Indonesia and its ASEAN peers sought to bring China into regional institutions like the ASEAN Regional Forum and the East Asia Summit. Building on this point, Rizal Sukma said that Indonesia continued to support a vigorous U.S. presence in the region. "Only the United States can balance China," Sukma asserted.

MIL-MIL TIES, DEMOCRATIZATION AND REFORM

17. (SBU) ADM Keating stressed that United States engagement with Indonesia, including with the TNI, was critical to supporting democracy and reform. Indonesia was a critical partner on important issues like counterterrorism and maritime security. Indonesia had made significant progress

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in its ongoing reform process, including building a military that was under civilian control and respected human rights. The United States had responded to this progress by expanding engagement with the TNI and was committed to continuing that expansion, the Admiral said.

18. (SBU) In response to ADM Keating's question, Indonesian interlocutors outlined their desired next steps in Indonesia's military reform. One participant said Indonesia needed eventually to give up the territorial command system. (Note: Under this system, military personnel are scattered throughout the country, assigned to jurisdictions down to the village level. Critics charge that this gives the military too much influence over local administration.) CSIS interlocutors also agreed that, as an archipelagic nation, Indonesia should develop a much stronger navy, a point the Admiral endorsed. Ambassador Wiryono Sastrohandoyo said U.S. military engagement with the TNI could help strengthen Indonesia's democracy and urged that the USG stay focused on that element of mil-mil cooperation. ADM Keating assured the audience that this was central to the United States' security relationship with Indonesia.

DINNER WITH SECURITY EXPERTS

19. (SBU) In a separate conversation with security experts and members of the Indonesian legislature (DPR) on April 9 at the Ambassador's residence, Dr. Dewi Anwar Fortuna of the Indonesian Institute of Sciences and the Habibie Center said China's growing power should be a matter of major concern to the region. Indonesia did not yet appreciate the seriousness of this development for the future. Indonesia was unprepared and unable to resist growing Chinese influence in the region. China historically had taken the position of a superior in all its relations with other countries in the region; it had never acted as an equal in partnership; there was no reason to expect this to change in the future. Fortuna asked rhetorically what means ASEAN had to offset or otherwise temper China's rise.

¶10. (SBU) DPR legislator Marzuki Darusman said there was growing support in the legislature for developing an Indonesian Coast Guard. He said the DPR and the government were reviewing various options and were studying how other countries, including the United States, structured their forces. So far, however, the Indonesian government remained undecided about how to proceed. He noted that the Indonesian Navy and Marine Police each performed roles that could belong to a Coast Guard, although he admitted that each was underfunded and that there was no funding plan for any new Coast Guard.

111. (U) Admiral Keating has approved this message.

HUME